

Message Text

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ACTION STR-07

INFO OCT-01 ARA-10 EUR-12 EA-10 IO-13 ISO-00 STRE-00
AF-10 NEA-10 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15
OIC-02 /168 W

-----088420 111440Z /73

P 111352Z JUL 78
FM USMISSION GENEVA
TO SECSTATE WASHDC PRIORITY 1872
INFO AMEMBASSY BRASILIA
AMEMBASSY BRUSSELS
AMEMBASSY OTTAWA
AMEMBASSY STOCKHOLM
AMEMBASSY OSLO
AMEMBASSY TOKYO

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USMTN USEEC

ACTION STR

STR PASS CODEL

E.O. 11652
TAGS: ETRD, MTN
SUBJECT: FRAMEWORK - ENABLING CLAUSE/GRADUATION

REF: GENEVA 10211

1. AS REPORTED REFTEL, LATEST NORDIC PROPOSAL ON SUBJECT
ISSUES APPEARED TO BE MOST VIABLE AMONG THOSE TABLED
TO DATE. TPRG CONSIDERED ISSUE JULY 8, WITH POSSIBLE
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OPTIONS OF (A) BLOCKING ENABLING-CLAUSE CONCEPT ENTIRELY;
(B) CONTINUING TO HOLD BACK UNTIL U.S. COULD COME UP
WITH PROPOSAL OF ITS OWN; OR (C) SEEKING SUFFICIENT
IMPROVEMENTS IN NORDIC TEXT SO THAT A POSITIVE RESULT
IN THIS AREA--AND THUS IN AN OVERALL GATT REFORM PACKAGE--
COULD BE FEASIBLE BY JULY 15.

2. TPRG APPROVED OPTION (C) PROVIDED THAT NORDIC TEXT
COULD BE IMPROVED TO:

- A. PREVENT "SPECIAL DEALS" BETWEEN DCS AND
SELECTED LDCS (LOME, ETC.) FROM RECURRING;
- B. RECOGNIZE THE GSP, LIMITED IN DURATION, AS
THE ONLY LEGITIMATE FORM OF DC-LDC TARIFF
PREFERENCES;
- C. MAKE SPECIAL PROVISIONS ONLY FOR THE LDCS;
- D. BRING INTRA-LDC ARRANGEMENTS UNDER UNIFORM
SET OF DISCIPLINES; AND
- E. INCLUDE EXPLICIT PROVISIONS ON GRADUATION
(INCREASING OBLIGATIONS AND DECREASING
BENEFITS).

TPRG INSTRUCTED MTN DEL TO SEEK COMMONLY-AGREED TEXT
ALONG ABOVE LINES THAT COULD BE PRESENTED/SUPPORTED BY
ALL DCS.

3. THIS EFFORT SUCCESSFULLY COMPLETED JULY 10, WITH
JOINT DC TEXT TO BE CIRCULATED TODAY BY GATT SECRETARIAT.
ALL U.S. POINTS ACCEPTED BY OTHER DCS EXCEPT FOR PRO-
CEDURAL SUGGESTIONS WHICH WOULD OBLIGE ADVANCED LDCS
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TO JUSTIFY, TO DCS AND OTHER LDCS, THEIR PROGRESS IN
ASSUMING GATT OBLIGATIONS/COMMITMENTS OVER TIME.
(OTHERS FEARED THIS PROCESS MIGHT ALSO OBLIGE DCS TO
JUSTIFY THEIR WITHDRAWALS OF S&D BENEFITS.) DC GROUP
AGREED, HOWEVER, THAT PROCEDURAL IDEAS SHOULD CONTINUE
TO BE CONSIDERED FOR POSSIBLE INTRODUCTION AT LATER STAGE.

4. INTRODUCTION TO DC "PROPOSAL ON DEVELOPING
COUNTRIES IN THE TRADING SYSTEM" WILL LEAVE OPEN
QUESTION OF EVENTUAL LEGAL STATUS (E.G., FORMAL GATT
AMENDMENT, DECLARATION/DECISION BY CPS, ETC.) COMMENT:
THIS FORM OF PRESENTATION COULD FACILITATE RECEPTION
BY ADVANCED LDCS, WHO MAY SEE ADVANTAGE IN HAVING
ENABLING CLAUSE ON A LESS FORMAL BASIS IN ORDER TO KEEP
THE INTEGRALLY-LINKED GRADUATION COMMITMENT OUT OF GATT
LEGAL TEXT ITSELF. OTHER LDCS, HOWEVER, SHOULD BENEFIT
FROM (A) RELATIVELY MORE SECURE LEGAL BASIS FOR S&D THAN
HERETOFORE; (B) SOME ASSURANCE THAT ADVANCED LDCS WILL
BE UNABLE TO RETAIN LION'S SHARE OF PREFERENTIAL BENEFITS
INDEFINITELY; AND (C) RECOGNITION OF SPECIAL MEASURES
FOR LDCS. OVERALL LDC RESPONSE IS NEVERTHELESS LIKELY
TO BE FROSTY SINCE PACKAGE CONTAINS GRADUATION

(ASSUMPTION OF OBLIGATIONS AS WELL AS GIVING UP BENEFITS)
AND DOES NOT MAKE S&D OBLIGATORY. END COMMENT.

5. TEXT OF DCS' JOINT PROPOSAL ON ENABLING CLAUSE/
GRADUATION WILL BE HAND-CARRIED TO STR VIA NEXT
WASHINGTON TRAVELLER.

6. DRAFTED BY MARK. MCDONALD

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, TRADE AGREEMENTS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 11 jul 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA10494
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780283-0667
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780776/aaaacrlre.tel
Line Count: 124
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8f05cf77-c288-dd11-92da-001cc4696bcc
Office: ACTION STR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 GENEVA 10211
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2056575
Secure: OPEN
Status: NATIVE
Subject: FRAMEWORK - ENABLING CLAUSE/GRADUATION
TAGS: ETRD, US, XZ, MTN
To: STATE USEEC
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/8f05cf77-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014